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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

August 6, 1996

Hon. Margaret P. Crenshaw, Secretary  
Postal Rate Commission  
1333 H Street, NW, Suite 300  
Washington, D.C. 20268-0001

Dear Ms. Crenshaw:

In connection with the Commission's rules pertaining to periodic reports, 39 C.F.R. § 3001.102 (1994), I have enclosed copies of the following:

Investment Income Statement, Third Quarter, GFY 1996.

Sincerely,

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

Enclosures

cc: Ms. Brown

AUG 6 1996  
jm

INVESTMENT INCOME  
THIRD QUARTER, GFY 1996

PRC 103

	THIRD QUARTER (3/2/96-5/24/96)	YTD GFY 1996 (10/1/95-5/24/96)
BEGINNING BALANCE (Book Value)	\$1,346,300,344.30	\$1,249,100,355.21
ADD		
PURCHASES AT COST	121,852,052,444.44	306,390,952,444.44
ACCRUAL OF DISCOUNT	24,662,330.89	67,186,531.08
GAIN (LOSS) NET _1/	0.00	0.00
SUBTOTAL	121,876,714,775.33	306,458,138,975.52
DEDUCT		
AMORTIZATION OF PREMIUM	6.00	16.91
PROCEEDS FROM SALES	120,859,414,775.33	305,343,638,975.52
SUBTOTAL	120,859,414,781.33	305,343,638,992.43
ENDING BALANCE (Book Value)	\$2,363,600,338.30	\$2,363,600,338.30
AVERAGE INVESTMENT BALANCE	\$2,026,038,868.11	\$1,873,339,699.17
INVESTMENT INCOME	\$24,664,428.21	\$66,974,718.59
AVERAGE YIELD = _2/	5.29%	5.51%

\_1/ Does not include Certificate of Deposit \$8,586,000.00

\_2/ AVERAGE YIELD = 
$$\frac{\text{INVESTMENT INCOME/\# OF DAYS IN QTR} \times 365}{\text{AVERAGE INVESTMENT BALANCE}}$$